

The Law Offices of Avrum J. Rosen, PLLC

Proposed Attorneys for the Debtors

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Fred S. Kantrow

Avrum J. Rosen

UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF NEW YORK

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In re:

CARPET DEPOT INC.,

Chapter 11
Case No.: 10-71629-reg

Debtor.

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DEBTOR'S AFFIDAVIT PURSUANT TO LOCAL RULE 1007-3

STATE OF NEW YORK)
)ss.:
COUNTY OF SUFFOLK)

STEVEN MELKER, being duly sworn, deposes and says as follows:

1. I am the President of CARPET DEPOT INC., and make this Affidavit pursuant to Local Bankruptcy Rule 1007-3. CARPET DEPOT INC., ("Debtor"), is a New York corporation and is engaged in the retail selling of carpet and flooring related products from its retail locations at 3080 Hempstead Turnpike, Levittown, New York; 2970 Middle Country Road, Lake Grove, New York; 2930 Long Beach Road, Oceanside, New York; 3292 Sunrise Highway, Wantagh, New York and 35 Davids Drive, Hauppauge, New York.. Its principal place of business is 3080 Hempstead Turnpike, Levittown, New York.

2. The Debtor's current problems arose as a result of the general decline in the carpet industry and amounts due under a settlement with the Department of Labor that the Debtor is unable to fund at the present time.

3. This case was originally commenced under Chapter 11 of Title 11 of the United States Bankruptcy Code and no Trustee has been appointed. There has been no pre-petition

creditors' committee. Annexed hereto as Exhibit "A" is a list of the 20 largest unsecured claims excluding insiders, including the name, address and the amount of the claim, and an indication of whether such claims are contingent, unliquidated, disputed or partially secured. Annexed hereto as Exhibit "B" is a list of the secured creditors.

4. The Debtor's assets consist of its inventory, equipment, leasehold improvements, leases and accounts receivables (cost basis) with a total value of approximately \$885,000. The Debtor's total liabilities at this point are approximately \$678,248.11.

5. At the present time, there is no property in the possession of any custodian, public officer, mortgagee, pledgee, assignee of rents, or secured creditor, or agents of any such entity.

6. The Debtor's substantial assets are spread out at all of the locations. Currently, its books and records are located at 3080 Hempstead Turnpike, Levittown, New York. The Debtor does not have any assets outside the territorial limits of the United States.

7. Steven Melker is the President of the Debtor and has been since the inception of the corporation in 1991.

8. The Debtor has sixteen (16) employees plus carpet installers that are hired as needed by project. The Debtor's weekly payroll, inclusive of payroll taxes, is approximately \$12,000.00. Compensation for officer's is not included in that amount. Officers will not take salary in the first thirty (30) days of the case.

9. It is estimated that the expenses for the 30 day period following the bankruptcy petition will be approximately \$230,000 and that receipts will be approximately \$ 2300,000.

S/Steven Melker
Steven Melker
President

Sworn to before me this

11th day of March, 2010

s/Avrum J. Rosen

AVRUM J. ROSEN

Notary Public, State of New York

No. 02RO4872542

Qual. in Suffolk County

Comm. Exp. Sept. 8, 2010